



## Thomson Reuters Analysis of 2010 Health Care Act Now Available

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### RIA's experts analyze tax and benefits provisions in new U.S. health care legislation

NEW YORK, May 5, 2010 /PRNewswire via COMTEX/ --The Tax & Accounting business of Thomson Reuters, through its RIA brand, recently published *The Complete Analysis of the Tax and Benefits Provisions of the 2010 Health Care Act*. This unparalleled, in-depth analysis explains all of the tax and benefits provisions of this new law and the related implications for individuals and businesses of all sizes, to include:

- new tax rules for individuals mandated to obtain insurance
- penalties for individuals who remain uninsured
- new insurance exchanges to make health coverage more readily available
- employer penalties for failing to provide adequate coverage
- new opportunities to cover older dependents
- new industry specific revenue raisers and toughened rules affecting pharmaceutical companies, manufacturers and importers of medical devices, and health insurance providers;
- new tax breaks to make health coverage more affordable for individuals and small businesses
- a voucher system for some lower income employees who choose not to be covered by their company health plan
- a surtax on so-called "Cadillac" employer health plans
- higher Medicare taxes on wages
- a surtax on investment income of higher-income individuals
- tougher limits on medical expense deductions
- a new limit on health flexible spending account (FSA) contributions

*"RIA's Complete Analysis of the Tax and Benefits Provisions of the 2010 Health Care Act* explains in detail the many complex tax and employee benefits, mandates, restrictions, reporting requirements, penalties, and opportunities for tax assistance that this new law introduces both for businesses and individuals," said James A. Seidel, director of federal tax information at Thomson Reuters. "Even though many provisions will not take effect for a year or more, lawyers, accountants, insurance executives, benefits consultants, and business owners need to know what has already taken effect, and how to quickly get up to speed to help their companies and clients avoid the pitfalls and reap the benefits of this new law."

RIA's specialists analyze all of the tax and benefits provisions in the roughly 3,000 pages of health care legislation, along with little-known aspects of the health care act, such as new employer reporting responsibilities, a new cafeteria plan for small businesses, and summaries that explain who is affected by this reform. The analysis draws conclusions that cut to the heart of each new provision and clarify its meaning. A sampling of RIA analysts' observations on the implications of specific provisions:

- **"I don't believe that anyone expects the new excise tax on high-cost employer-sponsored health coverage -- the 'Cadillac plans' -- to be a revenue raiser.** It is designed to get employers and insurance companies to offer less expensive health coverage to their employees starting in 2018; employees are responsible for more deductibles, co-pays and coinsurance. But if an employer wants to continue providing coverage at a level where the excise tax kicks in, the coverage will cost much more because of the addition of this new nondeductible tax. Accountants and HR professionals can expect plenty of new compliance work as they monitor employers' benefits programs and try to avoid the extra cost that this tax would add." -- Tax Analyst Roger Ross
- **"The new Premium Assistance Credit helps lower-income individuals get affordable, quality health insurance, and meet the new 'health insurance mandate' that starts in 2014.** Under prior law, there was no tax credit for low or middle income taxpayers for the purchase of health insurance. To qualify for this refundable tax credit, taxpayers cannot have household income over 400% of the poverty line; cannot be eligible for Medicaid, employer-sponsored health insurance, or certain other coverage; and must buy health insurance by enrolling in a qualified health plan (QHP) through a state-run insurance Exchange." -- Tax Analyst Laurie Asch
- **"Certain consumers can probably expect higher costs for prescription drugs.** A new excise-like tax on pharmaceutical companies, formally called an annual fee on prescription drug sales to the federal government, becomes effective in 2011, and will mostly affect the largest Pharma companies since it's tied to their sales levels to the U.S. government. Their extra taxes could trigger higher prescription costs for individuals and employers who are not covered by specified government programs." -- Tax Analyst Sally Schreiber

RIA analysts explain the steps professionals should take as the provisions go into effect over the next four years. The analysis is available in print, or on the award-winning online Checkpoint(R) platform, which allows users to link to relevant guidance, as well as the text of the law itself. As always, RIA delivers thorough and practical explanations, recommendations, timetables, and client letters. It also includes the amended Code & ERISA sections, along with applicable Committee Reports, finding tables and a

comprehensive index for easy navigation.

*RIA's Complete Analysis of the Tax and Benefits Provisions of the 2010 Health Care* can be purchased in print or on Checkpoint from the Tax & Accounting business of Thomson Reuters. It can be obtained by calling 800-950-1216 or visiting <http://ria.thomsonreuters.com/estore/detail.aspx?ID=CA102P>.

For more information on the Tax & Accounting business of Thomson Reuters, visit <http://www.thomsonreuters.com>.

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